

**JOINT COMMITTEE OF BEAMISH MUSEUM – 11<sup>th</sup> March 2011**

**INTERNAL AUDIT OPERATIONAL PLAN FOR 2011/12 – REPORT OF THE  
TREASURER**

**1. Purpose of Report**

- 1.1 To enable the Joint Committee to consider and comment on the proposed Internal Audit Operational Plan for 2011/2012.

**2. Background**

- 2.1 The Internal Audit Strategy was approved by the Joint Committee on 13<sup>th</sup> March 2009. It is considered that the Internal Audit Strategy remains appropriate and therefore is not presented in this report.

**3. Recommendation**

- 3.1 The Joint Committee is invited to consider and comment on the attached proposed Internal Audit Operational Plan for 2011/2012.

**4. Background Papers**

- 4.1 None.

## BEAMISH MUSEUM

### INTERNAL AUDIT OPERATIONAL PLAN FOR 2011/2012

#### 1. Introduction

- 1.1 This document presents the Internal Audit Operational Plan for 2011/2012 including the key performance measures.

#### 2. Resources Available

- 2.1 The internal audit service is provided by Sunderland City Council as the lead authority for Finance. This shared service provides for a wide pool of skills and experience that can be called upon, including IT auditors. The head of internal audit and the service's manager is professionally qualified and all staff are trained to deliver internal audit work to professional standards.

#### 3. Development of the Internal Audit Operational Plan

- 3.1 In developing the coverage of internal audit work it is appropriate to cover the key risk areas of the business over a period of years. The frequency and scope of the work is driven by an assessment of risk in consultation with the Museum Director (as set out in the Internal Audit Strategy). The Operational Plan sets out the work scheduled for the next financial year.
- 3.2 As the internal audit service is required to investigate specific areas of concern or irregularity as and when they arise, a small contingency allowance is made for this.
- 3.3 An allowance is also made for general advice and guidance to be provided on any issues that arise throughout the year.
- 3.4 Where individual audits cannot be undertaken as originally planned (e.g. service no longer provided), attempts will be made to replace the audit with a suitable replacement in consultation with the Museum Director and Treasurer. Where these changes are agreed this shall be considered a variation to this Plan for the purposes of performance reporting.
- 3.5 In addition, unforeseen work can arise due to new areas of business or increased risk which is appropriate to prompt audit work in the year. Therefore, in order to allow some flexibility, a small contingency allowance is also made to enable such work to be undertaken.

#### 4. Planned Audit Work for 2011/2012

- 4.1 The following audits are planned.

##### 4.1.1 Information Governance (12 Days)

Information governance has a particularly high profile currently within the public sector. It is planned to review the arrangements to manage personal, confidential and

sensitive information and records held by the Museum, the security of information and related legal requirements such as compliance with the data protection and freedom of information legislation.

**4.1.2 On-line Admissions Income (8 days)**

The Museum has improved its facility for visitors to book and make payments on-line. A limited review will be undertaken of the effectiveness of these arrangements and will compliment the audit mentioned above in relation to the protection of visitor's personal information.

**4.1.3 Catering Income (8 days)**

It is understood that the Museum has been successful in developing its catering facilities and has increased / is increasing the amount of provision and the number of sites that catering is being provided. A small number of days has been provided to ensure that controls in this area continue to be robust.

4.3 Each year the Operational Plan also includes time to review the implementation of recommendations (except low risk) agreed during previous audits.

**5. Audit Reporting**

5.1 At the conclusion of each individual audit a Draft Report and, if necessary, a proposed Action Plan will be forwarded to the appropriate manager. Once agreement has been reached a Final Report (including any Action Plan) will be forwarded to the Museum Director. Where audits highlight issues which need to be brought to the attention of the Treasurer they will be raised as and when necessary.

**6. Performance Management**

6.1 Performance shall be monitored against the Operational Plan and other Key Performance Indicators (KPI's) as set out in Appendix 1. It should be noted that a number of these relate to the entire internal audit function of Sunderland City Council.

**7. Variations to the Operational Plan**

7.1 As stated in paragraphs 3.4 and 3.5 above, in order to allow some flexibility in the work undertaken, a small contingency allowance is made to enable unforeseen requests to be responded to without adversely affecting the delivery of the planned audit work. However, if the contingency allowance has been exhausted an assessment will be carried out to determine whether requests for additional work should be undertaken, based on the impact upon the delivery of the plan and the risks associated with the work requested.

**PAUL DAVIES**  
Head of Audit, Risk and Procurement

**MALCOLM PAGE**  
Treasurer

Internal Audit and Counter Fraud Unit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2011/2012		
Efficiency and Effectiveness		
<i>Objectives</i>	<i>KPI's</i>	<i>Targets</i>
1) To ensure the service provided is effective and efficient.	1) Complete sufficient audit work to provide an opinion on the key risk areas identified.  2) Percentage of draft reports issued within 15 days of the end of fieldwork  3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report)	1) All key risk areas covered over a 3 year period  2) 90%  3) 80%

**Internal Audit and Counter Fraud Unit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2011/2012**

**Quality**

<i>Objectives</i>	<i>KPI's</i>	<i>Targets</i>
1) To maintain an effective system of Quality Assurance  2) To ensure recommendations made by the service are agreed and implemented	1) Opinion of External Auditor  2) Percentage of agreed high, significant and medium risk internal audit recommendations which are implemented	1) Satisfactory opinion  2) 100% for high and significant. 90% for medium risk

**Client Satisfaction**

<i>Objectives</i>	<i>KPI's</i>	<i>Targets</i>
1) To ensure that clients are satisfied with the service and consider it to be good quality	1) Results of Post Audit Questionnaires  2) Results of other Questionnaires  3) Number of Complaints / Compliments	1) Overall average score of better than 1.5 (where 1=Good and 4=Poor)  2) Results classed as 'Good'  3) No target - actual numbers will be reported